

## **EXHIBIT 7**

**CAPLIN & DRYSDALE**

**CHARTERED**

ONE THOMAS CIRCLE, NW, SUITE 1100, WASHINGTON, D.C. 20005  
TELEPHONE (202) 862-5000 FACSIMILE (202) 429-3301  
[www.caplindrysdale.com](http://www.caplindrysdale.com)

NATHAN D. FINCH

DIRECT (202) 862-7801  
ndf@capdale.com

October 4, 2006

VIA E-MAIL, FACSIMILE AND FIRST CLASS MAIL

Barbara M. Harding, Esq.  
Kirkland & Ellis LLP  
55 Fifteenth Street, N.W.  
Washington, D.C. 20005

Re: In re W.R. Grace

Dear Barbara:

This letter responds to some of the items in your letter to me dated September 22, 2006:

On page 4 of your letter, you state that "Grace currently is searching for documents relating to estimates of aggregate asbestos liability that Grace conducted after its petition for bankruptcy and will produce responsive documents that are not privileged or otherwise confidential," but you do not provide a date for such production. Please produce the responsive documents and a privilege log on or before October 17, 2006.

On page 5 of your letter relating to "investigations of third parties" we cannot agree that accessing the repository through the internet is a sufficient method for producing documents responsive to document requests 55 and 56. As I am sure you are aware, viewing documents on-line is often more time consuming than when one has physical possession of copies of the documents. Moreover (and more troubling), Grace would be able to identify and track all of our on-line document review and as such would be able to, in essence, gain insights into our work product. This is not acceptable and therefore I request that these documents be produced on a CD ROM.

On page 6 of your letter you state that Mr. Hughes has agreed to review his files and produce any documents that he has concerning Grace's "market share" as compared to other asbestos defendants. You do not provide a date for the production of any documents located in

CAPLIN & DRYSDALE, CHARTERED

Page 2  
10/4/2006

this search; given that the volume is likely to be small, please produce them to us by no later than October 17, 2006.

Also on page 6 of your letter you state that Grace will produce responsive pleadings, brief and testimony in insurance coverage litigation "on a rolling basis." Please begin the rolling production on or before October 17, 2006.

I recognize that there has been some delay in this case due to the Court ordered mediation; however, we have all known that the mediation was dead since June and these document requests have been outstanding for a long time. It is thus imperative that Grace get "rolling" on producing the categories of documents identified in your September 22 letter.

Sincerely yours,



Nathan D. Finch

NDF/skl

ccs: via e-mail only:

Richard H. Wyron  
Garret Rasmussen  
Raymond G. Mullady, Jr.  
Debra L. Felder  
Jeffrey A. Liesemer  
Matthew I. Kramer  
Kenneth Pasquale  
Gary Becker  
Daniel Cohn  
Matthew Murphy

**Caplin & Drysdale**  
ATTORNEYS

Caplin & Drysdale, Chartered  
One Thomas Circle, NW, Suite 1100  
Washington, DC 20005-5802  
202-862-5000 202-429-3301 Fax  
www.caplindrysdale.com

**Facsimile**

To:	Barbara M. Harding, Esq.	Client Number:	4642
Fax Number:	(202) 879-5200	Attorney Number:	187
Confirmation No:	(202) 879-5081	Number of Pages:	3 (including cover)
From:	Nathan D. Finch	Phone:	(202) 862-7801
Subject:	W.R. Grace	Date:	October 4, 2006
Time Sent:		Operator:	

**COMMENTS:**

---

**FACSIMILE COVER PAGE**

This message is for the use of the intended recipient only. It is from a law firm and may contain information that is privileged and confidential. If you are not the intended recipient any disclosure, copying, future distribution, or use of this communication is prohibited. If you have received this communication in error, please advise us by return e-mail, or if you have received this communication by fax advise us by telephone and delete/destroy the document.

**FOR ASSISTANCE PLEASE CALL (202) 862-5044**